

Message Text

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PAGE 01 STATE 017338
ORIGIN ARA-02

INFO OCT-01 AS-01 ISO-00 NEA-01 /005 R

66011

DRAFTED BY: ARA/PAN:DGWAGNER

APPROVED BY: ARA/PAN:EJNADEAU

NEA/ARP:JLYLE(DRAFT)

-----260450Z 046234 /21

R 260335Z JAN 77

FM SECSTATE WASHDC

INFO AMEMBASSY PANAMA 4396

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FOR PANAMA: WE WILL POUCH COPY OF PROSPECTUS WHEN RECEIVED.

FOLLOWING REPEAT LONDON 01040 ACTION SECSTATE TRSY DEPT
DTD 20 JAN

QTE

LIMITED OFFICIAL USE LONDON 01040

DEPARTMENT PASS FEDERAL RESERVE BOARD

E.O. 11652: N/A

TAGS: PN, KU, ETRD, UK

SUBJECT: GOP KUWAITI DINAR BOND ISSUE

REF: STATE 8117

1. FINANCIAL ATTACHE DISCUSSED PANAMANIAN KUWAITI DINAR
BOND ISSUE WITH OLD FRIEND AT MERRILL LYNCH INTERNATIONAL
BANK. SOURCE REPORTS MERRILL LYNCH BELIEVES THAT GIVEN
PRESIDENT CARTER'S DESIRE TO ARRIVE AT A SATISFACTORY
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MODUS VIVENDI WITH PANAMA OVER THE CANAL, THIS MUST MEAN
THAT PANAMANIAN FOREIGN EXCHANGE INCOME WILL INCREASE
THROUGH LARGER SHARE OF THE TOLLS. THIS COULD TRANSFORM
PANAMANIAN ABILITY TO BORROW AND BE A SIGNIFICANT RELIEF
TO PANAMA'S INTERNATIONAL DEBT BURDEN.

2. SOURCE EXPLAINED THAT PANAMANIAN DEBT IS READILY

ACCEPTABLE IN THE SYNDICATED BANK LOAN MARKET, BUT HAS
THUS FAR RECEIVED A COLD SHOULDER IN THE FIXED RATE EURO-
BOND MARKET WHICH GENERALLY LOOKS FOR A TRIPLE-A RISK.
ON THE OTHER HAND, THE SMALL MIDDLE EAST BOND MARKETS ARE
PLAYING AN INTERESTING AND USEFUL ROLE. THE ARABS REALIZE
THAT IF A RISK IS GOOD ENOUGH FOR THE MAJOR INTERNA-
TIONAL BANKS, IT SHOULD BE GOOD ENOUGH FOR THE ARAB FIXED
RATE MARKET. THE AMOUNT RAISED WHILE NOT AS MUCH AS
HOPED INITIALLY IS NONETHELESS RESPECTABLE AND REPRESENTS
THE FIRST PANAMANIAN ISSUE IN YEARS NOT SECURED BY A
PLEDGE AGAINST PANAMA CANAL TOLLS.

3. SOURCE SAID AT LEAST ONE OTHER SIMILAR ISSUE IS IN THE
PIPELINE NOT FOR PANAMA, BUT FOR ANOTHER LATIN AMERICAN
COUNTRY WHICH HAS LONG BEEN ABSENT FROM THE FIXED RATE
MARKET.

4. SOURCE ADDED THAT MERRILL LYNCH OWNS THE LARGEST COM-
PANY IN PANAMA IN TERMS OF CAPITAL ON THE BALANCE SHEET
AND HAS RECENTLY TURNED THAT COMPANY INTO A BANK.

5. COPY OF PROSPECTUS WILL BE SENT TO ARA/PAN PER REFTEL.

6. WARREN HUTCHINS, MANAGING DIRECTOR OF MERRILL LYNCH
INTERNATIONAL BANK IN LONDON, WILL BE IN NEW YORK NEXT
WEEK EN ROUTE TO PANAMA. HE IS WILLING TO DISCUSS THE
PANAMANIAN ISSUE SHOULD ARA/PAN WANT TO CALL HIM. HE CAN
BE REACHED IN NEW YORK ON (212) 766-5645, AND WILL BE
SITTING IN AN OFFICE NEXT TO MR. HARRY ANDERSON.
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7. DEPARTMENT PLEASE REPEAT OTHER POSTS IF DESIRED.

ARMSTRONG UNQTE VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BONDS, LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: ARA/PAN:DGWAGNER
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Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770116/aaaaanoy.tel
Line Count: 101
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Message ID: 5fdddad0-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: GOP KUWAITI DINAR BOND ISSUE
TAGS: ETRD, EFIN, PN, KU, UK, MERRRILL LYNCH
To: PANAMA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5fdddad0-c288-dd11-92da-001cc4696bcc
Review Markings:
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